

## Summary of Laws and Regulations on Bank Indonesia

<b>Regulation</b>	: Bank Indonesia Regulation No.12/22/PBI/2010 concerning Money Changer
<b>Valid From</b>	: December 22, 2010

### Summary:

#### I. Background and Purpose

Banknotes sale and purchase activities conducted by Money Changer are closely related to Money Remittance business activity. In the context of supporting the development of Money Remittance business activity, a permit could be issued for a Non-Bank Money Changer (Non Bank PVA) to engage in Money Remittance business activity in compliance with applicable provisions.

#### II. Regulatory Materials

New regulatory principles of Bank Indonesia Regulation are as follows:

1. Business activities conducted by Money Changer (PVA) are as follows:
  - a. Banknotes (UKA) sale and purchase;
  - b. Traveler's Cheque (TC) purchase; and

- c. Non-Bank Money Changer could engage in Money Remittance business activity by first obtaining a permit from Bank Indonesia.
- 2. Money Changer (PVA) is prohibited from conducting the following activities:
  - a. acting as sales agent for traveler's cheque (TC)
  - b. conducting margin trading, spot, forward, swap activities and other derivative transactions; and/or
  - c. conducting business activities other than Banknotes sale and purchase and TC purchase as well as Money Remittance business activity.
- 3. Paid up capital to establish Non-Bank Money Changer shall not derive from and/or shall not for the purpose of money laundering.
- 4. The following are the requirements for the Board of Directors and the Board of Commissioners of Non-Bank Money Changer (Non Bank PVA):
  - a. Indonesian citizen;
  - b. not recorded in the national blacklist of bounced giro biljet and/or cheque drawee;
  - c. not included in the list of bad debt administered in the credit information system at Bank Indonesia;
  - d. never been sentenced for being proven to have committed a criminal act in the banking and financial sectors within the last

2 (two) years under a court decision having a permanent legal force;

- e. never been sentenced for being proven to have committed a criminal act of money laundering within the last 2 (two) years under a court decision having a permanent legal force;
- f. never serving as the shareholder, the member of the Board of Directors or the Board of Commissioners of a limited liability company engaging in business activity as Money Changer whose business permit is revoked by Bank Indonesia due to violation, during 2 (two) year-tenure prior to the date of submission of application; and
- g. having a commitment to perform the duties and obligations in engaging in business activities based on the provisions on money Changer and other applicable laws and regulations.

5. The following are the requirements for the shareholder of Non-Bank Money Changer (Non-Bank PVA):

- a. Individual Indonesian citizen and/or Indonesian legal entity;
- b. not recorded in the national blacklist of bounced giro biljet and/or cheque drawee;
- c. not included in the list of bad debt administered in the credit information system at Bank Indonesia;
- d. never been sentenced for being proven to have committed a criminal act in the banking and financial sectors within the last

- 2 (two) years under a court decision having a permanent legal force;
- e. never been sentenced for being proven to have committed a criminal act of money laundering within the last 2 (two) years under a court decision having a permanent legal force; and
  - f. having a commitment to comply with the governing provisions on money Changer and other applicable laws and regulations.
6. Non-Bank Money Changer (Non-Bank PVA) obtaining Money Remittance business activity permit is required to make an adjustment to the policies and procedures for the application of Anti Money Laundering and Prevention of Terrorism Financing programs by incorporating Anti Money Laundering and Prevention of Terrorism Financing policies and procedures.
7. Non-Bank Money Changer (Non-Bank PVA) must comply with the regulating Bank Indonesia provisions on Money Remittance business activity in conducting Money Remittance business activity.
8. Tenure in granting of permit or written rejection of application for Money Remittance business activity permit as set forth in the provisions on Money Remittance business activity is no longer valid for the application of Money Remittance business activity permit filed in parallel with application for Non-Bank Money Changer (Non-Bank PVA) business permit.

9. With the coming into effect of this Bank Indonesia Regulation, Bank Indonesia Regulation Number 9/11/PBI/2007 concerning Money Changer is revoked and declared invalid.